

Section 23 – Meeting notes: #3

Commerce – April 11, 2007

Members Present: Gladys Morton (acting chair), Bob Cudahy, Gloria Bogen, Lori Fritts, Tim Griffin, Ed Johnson, Lorrie Louder, Dick Nowlin, Chuck Repke, David Stokes and Dede Wolfson.

Members Absent: Rich Kramer (chair), Monte Hilleman, Keith Jans, Jeff Ochs and Eric Mitchell.

Staff: Penny Simison, Larry Soderholm, Marie Franchett and Andrew Jacobson.

Resource people: Anne Briseno from the East Side Neighborhood Development Co., Mara O'Neill from the Neighborhood Development Center and Ellen Waters from the St. Paul Area Chamber of Commerce.

1. **Welcome** by Gladys Morton.
2. **Introduction** by Penny Simison. The meeting revolved around commercial corridors, commercial nodes and downtown retail. Simison stressed that the goal of the meeting is to develop a framework that will guide Saint Paul's land use decisions by revising, replacing or keeping current land use policies.
3. **Corridors**
 - General corridors
 - Should transit go directly along the corridor or can it go off to the side like the greenway off of Lake St. in Minneapolis? Lessons for East and West 7th?
 - New immigrants are definitely the driving force for revitalization in some areas like University Ave., Lake St. and East 7th.
 - Corridors depend on doing two things well, drawing business from the neighborhood and becoming a destination/attraction for the larger city.
 - Planning for corridors and corridor vitality greatly depends on neighborhood vitality. As the neighborhood changes, so does the success of the corridor. Corridors must tap the neighborhood's pulse and see what it needs.
 - The City should try to understand the economics and evolution of corridors.
 - Do corridors follow patterns portrayed by other corridors? No, each one is unique. One connection they have is that they may all have had streetcar lines.
 - Unique and ethnic businesses are a plus and draw customers from beyond the neighborhood. They may be the future of smaller corridors.
 - Corridors in Saint Paul go ethnic, big box, franchise or niche.
 - Problems for small businesses include lack of financing and affordable rents and code issues when the business is changing hands.
 - Traveling along or across a corridor influences your perception of the corridor.
 - 'Big boxes'
 - Big boxes are appropriate in some areas of the city and should be appreciated.
 - The City should try to anticipate where big boxes will come in and create design elements that make them more urban.
 - Depending on the company, some big boxes are amenable to becoming more urban, with fewer parking spaces.
 - Big boxes want to locate in areas of heavy traffic, near highways and near fixed transit investments, an example is Midway.
 - Payne Avenue
 - Payne is much different than Arcade Street because Payne has so much historical significance.
 - Payne struggles to strike a balance between historical preservation, viable spaces for business and parking (of which there may already be enough).

- Payne buildings are primarily older, out of date and have code violations; this hinders new owners and entrepreneurs' ability to start successful businesses.
- Consider clearing land and buildings to start from scratch.
- University Avenue
 - Businesses are becoming financially troubled, a combination of increasing taxes and rents with slow growth rates.
 - Light rail is causing volatility in businesses along the avenue.
 - University is doing well because it has parking and is next to the freeway; the success is regardless of light rail.
 1. What percent of business is from 94 or the neighborhood?
- SunRay/Suburban Ave
 - Success is attributable to attracting local business. Yet, increasingly stores are losing customers to Woodbury.
 - Retail stores along Suburban are not attracting potential regional customers that drive by along 94.
 - SunRay center is enjoying resurgence and vacancies have subsided.

4. Zoning

- Important to have land for light industrial and employment centers.
- The city should invite investment in all three areas and, if appropriate, in close proximity to each other so that they can complement one other.
- Light industrial or IR zoning should continue to be used and the demand is there. Do not be afraid of mixing IR with the other sectors.
- Be careful not to make the rules too strict or too vague, but clear, simple and flexible.
- PUD zoning in suburbs is an example of an extremely flexible and development-attractive zoning.
- Can a form-based code work?

5. Comments on current land use policy, suggestions for new policy

- Provide flexibility within the zoning code because the market cannot be predicted and should not be restricted. The market is very fluid. Government should not be overly heavy-handed, a balance must be found.
- There should be a way to make it easier for development of good projects.
 - Mix of public and private owners like Rondo Library may be an emerging market sector.
 - Without the use of eminent domain this will be difficult.
- Make the zoning rules clear and simple for developers.
- The land use plan cannot directly stimulate commercial development. It should focus on housing and job creation.
- Have regulatory flexibility but generally leave it as it is.

6. Observations

- Many new business-owners/entrepreneurs are undercapitalized. Many need help with financing and accounting.
- When older businesses and stores close and new owners come in, code violations are rampant and much renovation is needed up front. This puts new owners in an immediate hole that is hard to overcome.
- Retail follows people – downtown Minneapolis has a much larger workforce than Saint Paul and nearly 40,000 people living downtown and yet it still lost commercial and is just now getting a grocery store.
 - Downtown Saint Paul should focus on housing first.
 - Recognize that a mix of employers contributes to commercial viability.
- Smart growth does not meet light industrial needs.
- Traffic counts, housing density and business viability are connected.
- Income per acre can be more important than income per household in the city.

- Unique projects have value and good entrepreneurial ability cannot be substituted for anything else.
- The public sector only rarely forces the market; it should focus instead on capitalizing when the market is hot or creating good conditions for the market.
- Try to anticipate the future - what will be the next industry, where will the businesses locate, etc.?
- Perception is important.

7. **Follow-up and closing** by Simison and Morton. Simison mentioned the laborshed and commuteshed handouts mailed in the last packet. Simison, with the help of task force member David Stokes, manipulated the "Five Corridors for Growth in Saint Paul" map. A request was made for a finer detailed map of the changes in industrial land within the last 20 years and a projection of where the City wants it to be in another 20.

Meeting ended at 6:55 p.m.